Agenda Item No.__

File Code No. 260.02



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: December 14, 2010

TO: Mayor and Councilmembers

FROM: Treasury Division, Finance Department

SUBJECT: November 2010 Investment Report

RECOMMENDATION:

That Council accept the November 2010 Investment Report.

DISCUSSION:

The attached investment report includes Investment Activity, Interest Revenue, a Summary of Cash and Investments, and Investment Portfolio detail as of November 30, 2010.

ATTACHMENT: November 2010 Investment Report

PREPARED BY: Jill Taura, Treasury Manager

SUBMITTED BY: Robert Samario, Finance Director

APPROVED BY: City Administrator's Office

CITY OF SANTA BARBARA Activity and Interest Report November 30, 2010

	INTEREST REVENUE					
		POOLED INVESTMENTS				
\$	2,000,000	Interest Earned on Investments	\$	257,078		
	2,000,000	Amortization		(5,962)		
	2,000,000	SBB&T Sweep Account Interest		136		
	2,000,000	Money Market Interest		151		
	2,000,000	Total	\$	251,403		
	2,000,000					
	3,000,000					
	4,000,000					
\$	19,000,000					
		RDA INVESTMENTS				
\$	(3,000,000)	Interest Earned on Investments (LAIF)	\$	5,671		
	(1,000,000)					
	(1,000,000)					
	(2,000,000)					
	(2,000,000)					
	(1,000,000)					
	(2,000,000)					
	(3,500,000)					
\$	(15,500,000)					
•	3 500 000	TOTAL INTEREST FARNED	•	257,074		
	\$	\$\((3,000,000) \\ \$\((3,000,000) \\ \$\((3,000,000) \\ \$\((1,000,000) \\ \$\((1,000,000) \\ \$\((2,000,000) \\ \$\((1,000,000) \\ \$\((2,000,000) \\ \$\((2,000,000) \\ \$\((3,500,000) \\ \$\((3,500,000) \\ \$\((3,500,000) \\ \$\((3,500,000) \\ \$\((3,500,000) \\ \$\((3,000,000) \\ \$\((3,500,000) \\ \$\((3,000,000) \\ \$\((3,500,000) \\ \$\((3,000,000) \\ \$\((3,500,000) \\ \$\((3,000,000) \\ \$\((3,500,000) \\ \$\((3,000,000) \\ \$\((3,500,000) \\ \$\((3,000,000) \\ \$\((3,500,000) \\ \$\((3,000,000) \\ \$\((3,500,000) \\ \$\((3,000,000) \\ \$\((3,500,000) \\ \$\((3,000,000) \\ \$\((3,500,000) \\ \$\((3,000,000) \\ \$\((3,500,000) \\ \$\((3,000,000) \)	\$ 2,000,000 Interest Earned on Investments 2,000,000 SBB&T Sweep Account Interest 2,000,000 Money Market Interest 2,000,000 Total 2,000,000 3,000,000 4,000,000 \$ 19,000,000 (1,000,000) (1,000,000) (1,000,000) (2,000,000) (2,000,000) (2,000,000) (2,000,000) (2,000,000) (2,000,000) (3,500,000) \$ (15,500,000)	\$ 2,000,000 Interest Earned on Investments \$ 2,000,000 Amortization \$ 2,000,000 SBB&T Sweep Account Interest \$ 2,000,000 Money Market Interest \$ 2,000,000 Total \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$		

CITY OF SANTA BARBARA Summary of Cash and Investments November 30, 2010

ENDING BALANCE AS OF OCTOBER 31, 2010

Description	Book Value	Yield to Maturity (365 days)	Percent of Portfolio	Average Days to Maturity
State of California LAIF	\$ 51,000,000	0.480%	32.68%	1
Certificates of Deposit	4,000,000	1.500%	2.56%	200
Federal Agency Issues - Coupon	90,929,696	2.457%	58.27%	1,010
Corporate/Medium Term Notes	4,004,253	5.180%	2.57%	93
	149,933,949	1.832%	96.08%	621
SB Airport Promissory Note	6,124,300	7.000%	3.92%	6,816
Totals and Averages	\$ 156,058,249	2.034%	100.00%	864
SBB&T Money Market Account	3,167,127			
Total Cash and Investments	\$ 159,225,375			

NET CASH AND INVESTMENT ACTIVITY FOR NOVEMBER 2010

\$ 3,551,724

ENDING BALANCE AS OF NOVEMBER 30, 2010

Description	Bo Val	ok lue	Yield to Maturity (365 days)	Percent of Portfolio	Average Days to Maturity	
State of California LAIF	\$ 50	,500,000	0.460%	31.65%	1 ((1)
Certificates of Deposit	2	,000,000	1.750%	1.25%	352	
Federal Agency Issues - Coupon	94	,915,674	2.396%	59.49%	1,011	
Corporate/Medium Term Notes	6	,003,313	4.204%	3.76%	643	
	153	,418,987	1.821%	96.15%	656	
SB Airport Promissory Note	6	,124,300	7.000%	3.84%	6,786	
Totals and Averages	\$ 159	,543,286	2.020%	100.00%	891	
SBB&T Money Market Account	3	,233,813				
Total Cash and Investments	\$ 162	,777,100				

Note:

⁽¹⁾ The average life of the LAIF portfolio as of November 30, 2010 is 184 days.

CITY OF SANTA BARBARA Investment Portfolio November 30, 2010

DESCRIPTION	PURCHASE DATE	MATURITY DATE	QUALITY MOODY'S	RATING S & P	STATED RATE	YIELD AT 365	FACE VALUE	BOOK VALUE	MARKET VALUE	BOOK GAIN/(LOSS)	COMMENTS
LOCAL AGENCY INVESTMENT FUNDS											
LOCAL AGENCY INVESTMENT FUND	-	-	-	-	0.460	0.460	35,500,000.00	35,500,000.00	35,500,000.00	0.00	
LOCAL AGENCY INV FUND/RDA	-	-	-	-	0.460	0.460	15,000,000.00	15,000,000.00	15,000,000.00	0.00	
Subtotal, LAIF						_	50,500,000.00	50,500,000.00	50,500,000.00	0.00	
CERTIFICATES OF DEPOSIT											
MONTECITO BANK & TRUST	11/18/09	11/18/11	-	-	1.750	1.750	2,000,000.00	2,000,000.00	2,000,000.00	0.00	
Subtotal, Certificates of deposit						· -	2,000,000.00	2,000,000.00	2,000,000.00	0.00	
FEDERAL AGENCY ISSUES - COUPON											
FEDERAL FARM CREDIT BANK	03/06/09	04/24/12	Aaa	AAA	2.250	2.120	2,000,000.00	2,003,504.95	2,048,130.00	44,625.05	
FEDERAL FARM CREDIT BANK	10/28/10	10/28/15	Aaa	AAA	1.540	1.540	2,000,000.00	2,000,000.00	1,993,760.00	(6,240.00)	Callable 10/28/11, then cont.
FEDERAL FARM CREDIT BANK	11/07/06	01/18/11	Aaa	AAA	5.750	5.000	2,000,000.00	2,001,741.27	2,014,690.00	12,948.73	
FEDERAL FARM CREDIT BANK	03/04/09	01/17/12	Aaa	AAA	2.000	2.002	2,000,000.00	2,000,000.00	2,034,690.00	34,690.00	
FEDERAL FARM CREDIT BANK	03/05/09	03/04/13	Aaa	AAA	2.600	2.600	2,000,000.00	2,000,000.00	2,086,870.00	86,870.00	
FEDERAL FARM CREDIT BANK	05/08/09	04/08/13	Aaa	AAA	2.200	2.200	2,000,000.00	2,000,000.00	2,070,320.00	70,320.00	
FEDERAL FARM CREDIT BANK	06/19/09	06/18/12	Aaa	AAA	2.125	2.125	2,000,000.00	2,000,000.00	2,049,380.00	49,380.00	
FEDERAL FARM CREDIT BANK	09/30/09	10/03/11	Aaa	AAA	1.125	1.125	2,000,000.00	2,000,000.00	2,010,940.00	10,940.00	
FEDERAL FARM CREDIT BANK	12/01/09	12/01/14	Aaa	AAA	2.840	2.840	2,000,000.00	2,000,000.00	2,000,000.00	0.00	Callable 12/01/10, then cont.
FEDERAL FARM CREDIT BANK	01/13/10	01/13/15	Aaa	AAA	3.180	3.180	2,000,000.00	2,000,000.00	2,007,500.00	7,500.00	Callable 01/13/11, then cont.
FEDERAL FARM CREDIT BANK	04/30/10	04/09/15	Aaa	AAA	2.900	2.916	2,000,000.00	1,998,938.83	2,042,820.00	43,881.17	Callable 04/09/12, once
FEDERAL FARM CREDIT BANK	11/23/10	11/23/15	Aaa	AAA	2.000	2.000	2,000,000.00	2,000,000.00	2,002,820.00	2,820.00	Callable 05/23/12, then cont.
FEDERAL HOME LOAN BANK	05/22/07	06/10/11	Aaa	AAA	5.250	5.005	2,000,000.00	2,002,294.44	2,050,940.00	48,645.56	
FEDERAL HOME LOAN BANK	07/09/07	02/15/11	Aaa	AAA	4.000	5.308	2,000,000.00	1,995,158.02	2,015,940.00	20,781.98	
FEDERAL HOME LOAN BANK	03/04/09	06/08/12	Aaa	AAA	4.375	2.110	1,700,000.00	1,756,229.64	1,788,723.00	32,493.36	
FEDERAL HOME LOAN BANK	04/15/10	10/15/13	Aaa	AAA	2.000	2.000	2,000,000.00	2,000,000.00	2,067,190.00	67,190.00	
FEDERAL HOME LOAN BANK	08/05/10	09/12/14	Aaa	AAA	1.375	1.375	2,000,000.00	2,000,000.00	2,017,500.00	17,500.00	
FEDERAL HOME LOAN BANK	06/30/09	06/30/14	Aaa	AAA	2.000	3.733	2,000,000.00	2,000,000.00	2,010,310.00	10,310.00	SU 5%, Callable 06/30/11, once
FEDERAL HOME LOAN BANK	09/17/09	12/13/13	Aaa	AAA	3.125	2.440	2,000,000.00	2,039,219.15	2,130,940.00	91,720.85	
FEDERAL HOME LOAN BANK	01/15/10	10/30/12	Aaa	AAA	1.700	1.700	2,000,000.00	2,000,000.00	2,042,820.00	42,820.00	
FEDERAL HOME LOAN BANK	03/30/10	09/30/13	Aaa	AAA	2.000	2.000	2,000,000.00	2,000,000.00	2,010,620.00	10,620.00	Callable 03/30/11, once
FEDERAL HOME LOAN BANK	04/05/10	11/29/13	Aaa	AAA	2.000	2.000	2,000,000.00	2,000,000.00	2,068,440.00	68,440.00	
FEDERAL HOME LOAN BANK	06/29/10	10/29/12	Aaa	AAA	1.125	1.125	2,000,000.00	2,000,000.00	2,020,940.00	20,940.00	
FEDERAL HOME LOAN BANK	05/23/08	06/10/11	Aaa	AAA	3.125	3.520	2,000,000.00	1,996,082.17	2,027,500.00	31,417.83	
FEDERAL HOME LOAN BANK	05/28/10	05/28/15	Aaa	AAA	2.000	2.653	2,000,000.00	2,000,000.00	2,055,630.00	55,630.00	SU 3.35%, Callable 11/28/12, once
FEDERAL HOME LOAN BANK	06/16/08	12/10/10	Aaa	AAA	3.250	3.800	2,000,000.00	1,999,739.06	2,001,260.00	1,520.94	
FEDERAL HOME LOAN BANK	09/17/09	09/13/13	Aaa	AAA	4.375	2.272	2,000,000.00	2,111,308.52	2,196,560.00	85,251.48	

CITY OF SANTA BARBARA Investment Portfolio November 30, 2010

DESCRIPTION	PURCHASE DATE	MATURITY DATE	QUALITY MOODY'S	RATING S&P	STATED RATE	YIELD AT	FACE VALUE	BOOK VALUE	MARKET VALUE	BOOK GAIN/(LOSS)	COMMENTS
FEDERAL HOME LOAN BANK	02/22/10	12/13/13		AAA	3.125	2.130	2,000,000.00	2,057,650.59	2,130,940.00	73,289.41	
FEDERAL HOME LOAN BANK	03/26/10	06/08/12		AAA	1.375	1.325	2,000,000.00	2,001,491.82	2,026,250.00	24,758.18	
FEDERAL HOME LOAN BANK	07/14/10	07/14/15	Aaa	AAA	2.000	2.336	2,000,000.00	2,000,000.00	2,022,810.00	22,810.00	SU 2.0%-3.5% Call 07/14/11, then q
FEDERAL HOME LOAN BANK	06/30/10	06/30/14	Aaa	AAA	1.125	2.277	2,000,000.00	2,000,000.00	2,021,250.00	21,250.00	SU 3% callable 12/30/11, once
FEDERAL HOME LOAN MTG CORP	04/08/09	04/08/13	Aaa	AAA	2.500	2.526	2,000,000.00	1,999,647.22	2,014,460.00	14,812.78	Callable 04/08/11, once
FEDERAL HOME LOAN MTG CORP	05/19/09	11/19/12	Aaa	AAA	2.170	2.170	2,000,000.00	2,000,000.00	2,016,020.00	16,020.00	Callable 05/19/11, once
FEDERAL HOME LOAN MTG CORP	09/03/09	09/21/12	Aaa	AAA	2.125	1.699	2,000,000.00	2,014,918.03	2,055,940.00	41,021.97	
FEDERAL HOME LOAN MTG CORP	11/23/10	11/23/15	Aaa	AAA	1.750	1.845	2,000,000.00	1,991,200.00	1,989,280.00	(1,920.00)	Callable 11/23/11, once
FEDERAL HOME LOAN MTG CORP	05/13/09	05/13/13	Aaa	AAA	2.400	2.400	2,000,000.00	2,000,000.00	2,017,340.00	17,340.00	Callable 05/13/11, once
FEDERAL HOME LOAN MTG CORP	06/09/09	08/17/12	Aaa	AAA	1.000	2.420	2,000,000.00	1,953,488.78	2,010,920.00	57,431.22	
FEDERAL HOME LOAN MTG CORP	03/26/10	04/25/12	Aaa	AAA	1.125	1.197	1,000,000.00	999,004.11	1,008,450.00	9,445.89	
FEDERAL HOME LOAN MTG CORP	06/30/10	06/30/15	Aaa	AAA	2.000	2.914	2,000,000.00	2,000,000.00	2,020,160.00	20,160.00	SU 2.0%-4.5%, Call 06/30/11, annua
FEDERAL NATL MORTGAGE ASSN	03/18/09	09/18/12	Aaa	AAA	2.500	2.500	2,000,000.00	2,000,000.00	2,013,120.00	13,120.00	Callable 03/18/11, once
FEDERAL NATL MORTGAGE ASSN	07/07/10	07/07/15	Aaa	AAA	2.350	2.350	2,000,000.00	2,000,000.00	2,021,570.00	21,570.00	Callable 07/07/11, once
FEDERAL NATL MORTGAGE ASSN	05/24/10	06/24/13	Aaa	AAA	2.000	2.000	2,000,000.00	2,000,000.00	2,013,440.00	13,440.00	Callable 06/24/11, once
FEDERAL NATL MORTGAGE ASSN	08/10/10	08/10/15	Aaa	AAA	2.000	2.055	2,000,000.00	1,995,601.67	2,013,130.00	17,528.33	Callable 08/10/12, once
FEDERAL NATL MORTGAGE ASSN	11/17/10	11/17/14	Aaa	AAA	1.300	1.300	2,000,000.00	2,000,000.00	1,993,130.00	(6,870.00)	Callable 05/17/11, once
FEDERAL NATL MORTGAGE ASSN	02/27/09	02/24/12	Aaa	AAA	2.250	2.250	2,000,000.00	2,000,000.00	2,007,810.00	7,810.00	Callable 02/24/11, once
FEDERAL NATL MORTGAGE ASSN	08/05/10	08/05/15	Aaa	AAA	2.125	2.125	2,000,000.00	2,000,000.00	2,012,810.00	12,810.00	Callable 08/05/11, once
FEDERAL NATL MORTGAGE ASSN	09/09/10	09/09/15	Aaa	AAA	1.850	1.871	2,000,000.00	1,998,455.56	1,999,690.00	1,234.44	Callable 09/09/11, once
FEDERAL NATL MORTGAGE ASSN	09/21/10	09/21/15	Aaa	AAA	2.000	2.000	2,000,000.00	2,000,000.00	2,005,310.00	5,310.00	Callable 03/21/11, once
Subtotal, Federal Agencies							94,700,000.00	94,915,673.83	96,281,063.00	1,365,389.17	
CORPORATE/MEDIUM TERM NOTES											
GENERAL ELECTRIC CAPITAL CORP	01/10/07	02/22/11	Aa2	AA+	6.125	5.100	2,000,000.00	2,004,105.75	2,024,800.00	20,694.25	
GENERAL ELECTRIC CAPITAL CORP	11/10/10	11/09/15	Aa2	AA+	2.250	2.250	2,000,000.00	2,000,000.00	1,938,280.00	(61,720.00)	
WELLS FARGO & CO.	05/30/07	01/12/11	A1	AA-	4.875	5.260	2,000,000.00	1,999,207.08	2,009,720.00	10,512.92	
Subtotal, Corporate Securities						•	6,000,000.00	6,003,312.83	5,972,800.00	(30,512.83)	
SB AIRPORT PROMISSORY NOTE (LT)											
SANTA BARBARA AIRPORT	07/14/09	06/30/29	-	-	7.000	7.000	6,124,299.81	6,124,299.81	6,124,299.81	0.00	
Subtotal, SBA Note						•	6,124,299.81	6,124,299.81	6,124,299.81	0.00	•
TOTALS							159,324,299.81	159,543,286.47	160,878,162.81	1,334,876.34	

Market values have been obtained from the City's safekeeping agent, Santa Barbara Bank and Trust (SBB&T). SBB&T uses Interactive Data Pricing Service, Bloomberg and DTC.